- The percentage of Non-performing Assets (NPAs) to total loans and advances as on 31.03.2001 was alarmingly high at 80.3%; and
- The bank was facing acute liquidity crisis as it was not in a position to honour demand drafts issued to marketing federations for supply of fertilizers to agricultural societies.

(c) The bank had a total staff strength of 115 and it was catering to the needs of 96 Primary Agriculture Societies for short term, medium term and long term loans as per the financial position of the bank as on 31.03.2001. The total loan outstanding was Rs. 78.47 crore and the deposits was Rs. 35.90 crore as on 31.03.2001.

(d) The interest of the affected borrowers are taken care of by the apex bank by way of loaning through adjoining DCCB in the area of operation under the jurisdiction of closed DCCB. As the license application has been rejected by RBI, the State Government is required to appoint a Liquidator. The question of reopening of the bank does not arise in the present shape.

Levy of Income Tax on profits of sale proceeds of DEPB

3477. SHRI SURESH BHARDWAJ: Will the Minister of FINANCE be pleased to state:

(a) whether a letter from the Ministry of Commerce was received by him wherein the issue of levy of income tax on the profits of sale proceeds of DEPB has been raised;

(b) whether the large number of small and medium exporters are affected by the issue of levying of Income Tax which is causing a serious concern to them; and

(c) if so, the steps being taken to solve the matter?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM):

(a) Yes, Sir

(b) From a number of representations received from exporters it appears that they are concerned about re-computation of the export incentives availed of by them under the Income-tax Act.

(c) The matter has been referred to the Prime Minister's Economic Advisory Council. Any further action will be taken on receipt of the report of the Council.

Promotion of officials of Excise and Customs Deptt./Income Tax Deptt.

†3478. SHRI ABU ASIM AZMI: Will the Minister of FINANCE be pleased to state:

(a) whether the Group 'A' Officers of Income Tax Department and the Department of Central Excise and Customs are promoted after four years but Group-II and Group-III Officers remain deprived of promotion and if so, the reasons for such anomaly in the matter of promotion in the same Department;

(b) whether Government propose to take any initiative for removing this anomaly and if so, the details thereof; and

(c) whether the Central Board of Direct Taxes is going to take any action in this regard, if so, the the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and (b) Indian Revenue Service (IT) and Indian Revenue Service (Customs & Central Excise) Group 'A" Officers in the junior time scale with not less than four years regular service in the grade are eligible for grant of Senior Time Scale on the basis of seniority-cum-fitness and subject to availability of vacancies as per Recruitment Rules. Similarly, Officers in other Group 'A' and Group 'B' posts are eligible for promotion subject to fulfilling the minimum qualifying service as prescribed in the Recruitment Rules. Officers in Group 'C' posts are eligible for promotion subject to fulfilling the eligibility condition of minimum qualifying service as prescribed in the recruitment rules applicable to the respective post(s) and subject to availability of vacancies.

There is no anomaly in promotions in Group 'B' and Group 'C' posts. Promotions are made as per conditions laid down in the respective Recruitment Rules and availability of vacancies in the respective grades.

(c) Does not arise.

†Original notice of the question was received in Hindi.